

EXHIBIT A

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

☒ Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the fiscal year ended December 31, 2023

or

☐ Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Commission file number 001-37697

PERMIAN RESOURCES CORPORATION

(Exact name of registrant as specified in its charter)

Delaware
(State of Incorporation)

47-5381253
(I.R.S. Employer Identification No.)

300 N. Marienfeld St., Suite 1000

Midland, Texas 79701

(Registrant's telephone number, including area code): (432) 695-4222

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Common Stock, par value \$0.0001 per share	PR	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to the filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the Registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. (See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act).

Large accelerated filer	Accelerated filer	Non-accelerated filer	Smaller reporting company	Emerging growth company
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C.7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The aggregate market value of the voting and non-voting common stock held by non-affiliates of the registrant as of June 30, 2023, the last business day of the registrant's most recently completed second fiscal quarter, was approximately \$2,940,481,909 based on the closing price of the shares of common stock on that date. While shares of Class C Common Stock are not listed for public trading, they are exchangeable for shares of Class A Common Stock at any time on a share-for-share basis, and the calculation of aggregate market value assumes all outstanding shares of Class C Common Stock were exchanged for Class A Common Stock as of June 30, 2023.

As of February 23, 2024, there were 540,951,732 shares of Class A Common Stock, par value \$0.0001 per share outstanding and 230,910,435 shares of Class C Common Stock, par value \$0.0001 per share, outstanding.

Documents Incorporated by Reference:

Portions of the registrant's definitive proxy statement for its 2024 Annual Meeting of Stockholders, which will be filed with the United States Securities and Exchange Commission within 120 days of December 31, 2023, are incorporated by reference into Part III of this Form 10-K for the year ended December 31, 2023.

In re Shale Oil Antitrust Litig., Case No. 1:24-md-03119-MLG-LF (D.N.M.)

PR-Shale-0000000852

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Administration Degree. Mr. Long, a Licensed Professional Geoscientist in the State of Texas, Geology (No. 11792), has been practicing consulting petroleum geoscience at NSAI since 2007 and has over 2 years of prior industry experience. He graduated from University of Louisiana at Lafayette in 2003 with a Bachelor of Science Degree in Petroleum Geology and from Texas A&M University in 2005 with a Master of Science Degree in Geophysics. Both technical principals meet or exceed the education, training, and experience requirements set forth in the Standards Pertaining to the Estimating and Auditing of Oil and Gas Reserves Information promulgated by the Society of Petroleum Engineers; both are proficient in judiciously applying industry standard practices to engineering and geoscience evaluations as well as applying SEC and other industry reserves definitions and guidelines.

Production

The following table sets forth information regarding net production of oil, natural gas and NGLs, and certain price and cost information for each of the periods indicated:

	Year Ended December 31,		
	2023	2022	2021
Net production:			
Oil (MBbls)	35,560	18,235	11,701
Natural gas (MMcf)	119,182	59,692	40,741
NGL (MBbls)	15,569	6,750	3,752
Total (MBoe) ⁽¹⁾	70,992	34,934	22,243
Average sales price (excluding effect of hedges):			
Oil (per Bbl)	\$ 75.84	\$ 88.95	\$ 63.50
Natural gas price excluding the effects of GP&T (per Mcf) ⁽²⁾	1.60	4.86	3.67
NGL price excluding the effects of GP&T (per Bbl) ⁽³⁾	22.83	35.97	36.61
Total per Boe ⁽¹⁾	\$ 45.68	\$ 61.69	\$ 46.30
Operating costs per Boe:			
Lease operating expenses	\$ 5.26	\$ 4.92	\$ 4.78
Severance and ad valorem taxes	3.39	4.46	3.02
Gathering, processing and transportation expenses	1.26	2.80	3.86

⁽¹⁾ Calculated by converting natural gas to oil equivalent barrels at a ratio of six Mcf of natural gas to one Boe.

⁽²⁾ Natural gas average sales price excludes \$0.41 per Mcf of gathering, processing and transportation costs ("GP&T") for the year ended December 31, 2023, \$0.22 for the year ended December 31, 2022 and none for the year ended December 31, 2021.

⁽³⁾ NGL average sales price excludes \$4.71 per Bbl of GP&T charges for the year ended December 31, 2023, \$1.56 per Bbl for the year ended December 31, 2022 and none for the year ended December 31, 2021.

Productive Wells

As of December 31, 2023, we owned an approximate 83% average working interest in 2,577 gross (2,143 net) operated productive wells and an approximate 11% average working interest in 1,094 gross (120 net) non-operated productive wells. Our wells are primarily oil wells (3,150 gross, 2,018 net productive oil wells) that produce associated liquids-rich natural gas. Productive wells consist of producing wells, wells capable of production and wells awaiting connection to production facilities. Gross wells are the total number of producing wells in which we have an interest, operated and non-operated, and net wells are the sum of our fractional working interests owned in gross wells.

[Table of Contents](#)**Results of Operations*****For the Year Ended December 31, 2023 Compared to the Year Ended December 31, 2022***

During 2023, we completed the Earthstone Merger, and the results of operations of Earthstone were included in our financial and operational data beginning on November 1, 2023. During 2022, we completed the Colgate Merger, and the results of operations of Colgate were included in our financial and operational data beginning on September 1, 2022.

The following table provides the components of our net revenues and net production (net of all royalties, overriding royalties and production due to others) for the periods indicated, as well as each period's average prices and average daily production volumes:

	Year Ended December 31,		Increase/(Decrease)	
	2023	2022	\$	%
Net revenues (in thousands):				
Oil sales	\$ 2,696,777	\$ 1,622,035	\$ 1,074,742	66 %
Natural gas sales ⁽¹⁾	142,077	276,957	(134,880)	(49)%
NGL sales ⁽²⁾	282,039	232,273	49,766	21 %
Oil and gas sales	<u>\$ 3,120,893</u>	<u>\$ 2,131,265</u>	<u>\$ 989,628</u>	<u>46 %</u>
Average sales prices:				
Oil (per Bbl)	\$ 75.84	\$ 88.95	\$ (13.11)	(15)%
Effect of derivative settlements on average price (per Bbl)	1.81	(4.85)	6.66	137 %
Oil including the effects of hedging (per Bbl)	<u>\$ 77.65</u>	<u>\$ 84.10</u>	<u>\$ (6.45)</u>	<u>(8)%</u>
Average NYMEX WTI price for oil (per Bbl)	\$ 77.62	\$ 94.24	\$ (16.62)	(18)%
Oil differential from NYMEX	(1.78)	(5.29)	3.51	66 %
Natural gas price excluding the effects of GP&T (per Mcf) ⁽¹⁾	\$ 1.60	\$ 4.86	\$ (3.26)	(67)%
Effect of derivative settlements on average price (per Mcf)	0.29	(0.53)	0.82	155 %
Natural gas including the effects of hedging (per Mcf)	<u>\$ 1.89</u>	<u>\$ 4.33</u>	<u>\$ (2.44)</u>	<u>(56)%</u>
Average NYMEX Henry Hub price for natural gas (per MMBtu)	\$ 2.53	\$ 6.38	\$ (3.85)	(60)%
Natural gas differential from NYMEX	(0.93)	(1.52)	0.59	39 %
NGL price excluding the effects of GP&T (per Bbl) ⁽²⁾	\$ 22.83	\$ 35.97	\$ (13.14)	(37)%
Net production:				
Oil (MBbls)	35,560	18,235	17,325	95 %
Natural gas (MMcf)	119,182	59,692	59,490	100 %
NGL (MBbls)	15,569	6,750	8,819	131 %
Total (MBoe) ⁽³⁾	<u>70,992</u>	<u>34,934</u>	<u>36,058</u>	<u>103 %</u>
Average daily net production:				
Oil (Bbls/d)	97,424	49,958	47,466	95 %
Natural gas (Mcf/d)	326,525	163,539	162,986	100 %
NGL (Bbls/d)	42,654	18,494	24,160	131 %
Total (Boe/d) ⁽³⁾	<u>194,499</u>	<u>95,708</u>	<u>98,791</u>	<u>103 %</u>

⁽¹⁾ Natural gas sales for the year ended December 31, 2023 include \$48.9 million of gathering, processing and transportation costs ("GP&T") that are reflected as a reduction to natural gas sales and \$13.1 million for the year ended December 31, 2022. Natural gas average sales price, however, excludes \$0.41 per Mcf of such GP&T charges for the year ended December 31, 2023 and \$0.22 for the year ended December 31, 2022.

⁽²⁾ NGL sales for the year ended December 31, 2023 include \$73.3 million of GP&T that are reflected as a reduction to NGL sales and \$10.6 million for the year ended December 31, 2022. NGL average sales price, however, excludes \$4.71 per Bbl of such GP&T charges for the year ended December 31, 2023 and \$1.56 per Bbl for the year ended December 31, 2022.

⁽³⁾ Calculated by converting natural gas to oil equivalent barrels at a ratio of six Mcf of natural gas to one Boe.

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Oil, Natural Gas and NGL Sales Revenues. Total net revenues for the year ended December 31, 2023 increased by \$1.0 billion, or 46%, compared to the year ended December 31, 2022. Revenues are a function of oil, natural gas and NGL volumes sold and average commodity prices realized.

Net production volumes for oil, natural gas, and NGLs increased 95%, 100% and 131%, respectively, between periods. The oil production volume increase resulted from placing 183 wells on production since December 31, 2022 as compared to 95 wells brought online during the year ended December 31, 2022. Oil production also benefited from wells acquired in the mergers with Colgate and Earthstone, which collectively added 9,852 MBbls of net oil production to the year ended December 31, 2023 compared to 3,517 MBbls of net oil production added from the Colgate Merger to the year ended December 31, 2022. These oil volume increases were partially offset by normal production decline across our existing wells. Natural gas and NGLs are produced concurrently with our crude oil volumes, typically resulting in a high correlation between fluctuations in oil quantities sold and natural gas and NGL quantities sold driving the 100% and 131%, respectively, increase in gas and NGL volumes between periods. The higher increase in gas and NGL volumes between periods as compare to the 95% increase in oil volumes was due to the producing wells acquired in the Earthstone Merger, which have a higher gas-to-oil ratio than our existing production base, and this has resulted in more volumes of gas and NGLs being added to our total production stream since the closing of the Earthstone Merger on November 1, 2023. Additionally, certain processors of our raw gas operated in higher ethane-recovery mode during the year ended December 31, 2023 as compared to the year ended December 31, 2022, which resulted in a higher percentage of NGLs being recovered from our wet gas stream during 2023.

These production increases were partially offset by decreases in the average realized sale prices for oil, natural gas and NGLs which decreased 15%, 67% and 37%, respectively, for the year ended December 31, 2023 compared to the same 2022 period. The 15% decrease in the average realized oil price was mainly the result of 18% lower NYMEX crude prices between periods, which was slightly offset by improved oil differentials. The average realized sales price of natural gas decreased 67% due to 60% lower average NYMEX gas prices between periods as well as a larger proportional gas differential during the year ended December 31, 2023 compared to the same 2022 period. The 37% decrease in average realized NGL prices between periods was primarily attributable to lower Mont Belvieu spot prices for plant products in 2023 compared to 2022. The market prices for oil and natural gas have been impacted by global supply and demand factors throughout 2022 and 2023 as discussed in the market conditions section above.

Operating Expenses. The following table sets forth selected operating expense data for the periods indicated:

	Year Ended December 31,		Increase/(Decrease)	
	2023	2022	Change	%
Operating costs (in thousands):				
Lease operating expenses	\$ 373,772	\$ 171,867	\$ 201,905	117 %
Severance and ad valorem taxes	240,762	155,724	85,038	55 %
Gathering, processing, and transportation expense	89,282	97,915	(8,633)	(9)%
Operating cost metrics:				
Lease operating expenses (per Boe)	\$ 5.26	\$ 4.92	\$ 0.35	7 %
Severance and ad valorem taxes (% of revenue)	7.7 %	7.3 %	0.4 %	6 %
Gathering, processing, and transportation expense (per Boe)	1.26	2.80	(1.55)	(55)%

Lease Operating Expenses. Lease operating expenses (“LOE”) for the year ended December 31, 2023 increased \$201.9 million compared to the year ended December 31, 2022. This increase in LOE was primarily related to higher fixed and semi-variable well costs, such as water disposal, equipment rentals, repair work, wellhead chemicals, labor and electricity, associated with our significantly higher well count from new producing wells drilled or acquired. The higher well count in 2023 was due to (i) 309 gross operated horizontal wells acquired in the Colgate Merger on September 1, 2022 that operated for the entire year of 2023 compared to four months in 2022, (ii) 183 wells placed on production since December 31, 2022, and (iii) 1,190 gross operated horizontal wells acquired in the Earthstone Merger on November 1, 2023.

LOE per Boe was \$5.26 for the year ended December 31, 2023, which represents an increase of \$0.35 per Boe (or 7%) from the year ended December 31, 2022. This increase was primarily driven by per Boe increases associated with higher water disposal rates between periods, resulting from the sale of our operated saltwater disposal system in March 2023 (see *Note 3—Acquisitions and Divestitures* for additional information on the divestiture). This increase was partially offset by fewer workovers and lower semi-variable well costs, such as wellhead chemicals, labor and electricity that resulted from operational efficiencies.

Severance and Ad Valorem Taxes. Severance and ad valorem taxes for the year ended December 31, 2023 increased \$85.0 million compared to the year ended December 31, 2022. Severance taxes are based on the market value of our production at the wellhead, while ad valorem taxes are generally based on the assessed taxable value of our proved developed oil and gas properties and vary across the different counties in which we operate. Severance taxes for the year ended 2023 increased \$63.4

